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北京北辰實業股份有限公司
BEIJING NORTH STAR COMPANY LIMITED

(A sino-foreign joint venture joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 588)

OVERSEAS REGULATORY ANNOUNCEMENT
(I) 2012 THIRD QUARTERLY REPORT
(II) PROPOSED AMENDMENTS TO
THE ARTICLES OF ASSOCIATION

This announcement is made pursuant to the disclosure requirements under Rules 13.09(1), 13.09(2) and 13.51(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Beijing North Star Company Limited (the “Company”) is required to publish its third quarterly results pursuant to the Regulations on Disclosure of Information on Quarterly Reports for Listed Companies issued by the China Securities Regulatory Commission.

All financial information set out in the 2012 third quarterly report of the Company is unaudited and the relevant financial statements are prepared in accordance with China Accounting Standards for Business Enterprises. The 2012 third quarterly report of the Company will also be published on the website of Shanghai Stock Exchange (www.sse.com.cn) on 25 October 2012 and the main text of such report will be published in certain newspapers in the People’s Republic of China (the “PRC”) on 26 October 2012.

Besides, the board of directors (the “The Board”) of the Company proposes to amend the Articles of Association of the Company.

(I) 2012 THIRD QUARTERLY REPORT

1 IMPORTANT NOTICE

1.1 The Board, the supervisory committee, all directors, supervisors and the senior management of the Company warrant that there are no misrepresentation or misleading statements contained in or material omissions from this report, and accept joint and several responsibility for the truthfulness, accuracy and completeness of the contents of this report.

1.2 Directors absent from the Board meeting shall be disclosed separately

Name of absent director	Position of absent director	Reason(s) for absence	Name of proxy
ZENG Jin	Director	Other business engagement	LIU Jian-Ping

1.3 The financial statements in this third quarterly report are unaudited.

1.4 HE Jiang-Chuan, person-in-charge of the Company, ZHAO Hui-Zhi, general manager, and CHEN Yuan-Chao, the financial controller, have declared to warrant the truthfulness and completeness of the financial statements contained in this quarterly report.

2 BASIC INFORMATION OF THE COMPANY

2.1 Major accounting data and financial indicators

Currency: RMB

	As at the end of the reporting period	As at the end of last year	Increase/decrease from the end of the period last year (%)
Total assets (<i>RMB</i>)	28,127,970,293.00	28,513,238,612.00	-1.35
Owner's equity (or shareholders' equity) (<i>RMB</i>)	10,048,095,809.00	9,577,119,873.00	4.92
Net assets per share attributable to the shareholders of the Company (<i>RMB per share</i>)	2.98	2.84	4.93
		From the beginning of the year to the end of the reporting period (January to September)	Increase/ decrease from the corresponding period last year (%)
Net cash flow from operating activities (<i>RMB</i>)		215,453,595.00	-78.48
Net cash flow per share from operating activities (<i>RMB per share</i>)		0.06	-80.00

	The reporting period (July to September)	From the beginning of the year to the end of the reporting period (January to September)	Increase/ decrease from the corresponding period last year (%)
Net profit attributable to the shareholders of the Company (<i>RMB</i>)	280,006,480.00	571,986,536.00	220.70
Basic earnings per share (<i>RMB per share</i>)	0.08	0.17	300.00
Basic earnings per share after deducting the non-recurring items (<i>RMB per share</i>)	0.08	0.17	300.00
Diluted earnings per share (<i>RMB per share</i>)	0.08	0.17	300.00
Weighted average return on net assets (%)	2.86	5.82	Increased by 1.93 percentage points
Weighted average return on net assets after deducting non-recurring items (%)	2.86	6.05	Increased by 1.93 percentage points

Deducting non-recurring items and amounts:

Unit: RMB0.00 Currency: RMB

Item	From the beginning of the year to the end of the reporting period (January to September)
Profit/loss on disposal of non-current assets	-5,815,792
Reversal of impairment provision on receivables tested for impairment on individual basis	-15,916
Other profit or loss items within the definition of non-recurrent profit or loss	281,995
Effect on income tax	765,686
Effect on minority interests (after tax)	<u>-1,128,925</u>
Total	<u><u>-5,912,952</u></u>

2.2 Total number of shareholders and shareholdings of the top ten holders of shares not subject to trading moratorium as at the end of the reporting period

Unit: Share

Total number of shareholders as at the end of the reporting period (*shareholders*) 295,857

Top ten holders of circulating shares not subject to trading moratorium

Name of shareholders (full name)	Number of circulating shares not subject to trading moratorium held at the end of the period	Class of shares	
Beijing North Star Industrial Group Company Limited	1,161,000,031	RMB-denominated ordinary shares	1,161,000,031
HKSCC NOMINEES LIMITED	684,366,498	Overseas listed foreign shares	684,366,498
Beijing Wangfujing Department Store (Group) Co., Ltd.	137,000,000	RMB-denominated ordinary shares	137,000,000
Zhong Hang Xin Gang Guarantee Co., Ltd.	73,573,353	RMB-denominated ordinary shares	73,573,353
China Merchants Securities Co., Ltd — Client Account of Collateral Securities for Margin Trading (招商證券股份有限公司客戶信用交易擔保證券賬戶)	34,250,784	RMB-denominated ordinary shares	34,250,784
Zhejiang Haiyue Co., Ltd.	27,000,000	RMB-denominated ordinary shares	27,000,000
China Investment Securities Co., Ltd. — Client Account of Collateral Securities for Margin Trading (中國中投證券有限公司客戶信用交易擔保證券賬戶)	21,056,080	RMB-denominated ordinary shares	21,056,080

Chen Hui (陳惠)	13,550,000	RMB-denominated ordinary shares	13,550,000
China Construction Bank — Huaxia Dividend Mixed Open Securities Investment Fund (中國建設銀行 — 華夏紅利混合型 開放式證券投資基金)	9,999,950	RMB-denominated ordinary shares	9,999,950
Bank of China — China Merchant Xianfeng Mixed Securities Investment Fund (中國銀行 — 招商先鋒證券投資基金)	8,997,743	RMB-denominated ordinary shares	8,997,743

Pursuant to the document titled “Implementation measure for the transfer of part of the state-owned shares to the National Social Security Fund in domestic securities market (Cai Qi [2009] No.94)” (《境內證券市場轉持部分國有股充實全國社會保障基金實施辦法》(財企[2009]94號)) and announcement No.63 of 2009 jointly issued by the Ministry of Finance of the People’s Republic of China, the State-owned Assets Supervision and Administration Commission of the State Council, the China Securities Regulatory Commission and the National Council for Social Security Fund, 150,000,000 shares held by Beijing North Star Industrial Group Company Limited, the controlling shareholder of the Company, are frozen at present.

3 SIGNIFICANT EVENTS

3.1 Details and reasons for substantial changes in the major accounting statement items and financial indicators of the Company

Applicable Not Applicable

Unit: RMB

Item	January to September 2012 (combined)	January to September 2011 (combined)	Change amount	Change %	Reason(s) for change
Operating revenue	4,134,338,176	3,198,729,304	935,608,872	29.25	Mainly due to the significant increase in income from investment in properties and development of Changsha Company
Operating costs	2,188,669,870	1,650,017,537	538,652,333	32.65	Mainly due to the corresponding increase in costs following the significant increase in operating revenue
Taxes and surcharges	374,474,899	237,048,689	137,426,210	57.97	Mainly due to the significant increase in income
Investment income	—	-6,591,960	6,591,960		Mainly due to the fact that the investment loss from a joint venture for 2011 was limited to the extent of long term equity investment being written down to zero
Operating profit	769,217,156	587,486,082	181,731,074	30.93	Mainly due to the increase in the profit from investment properties and development properties
Non-operating income	3,770,391	1,060,426	2,709,965	255.55	Mainly due to the disposal of non-payables
Non-operating expenses	9,304,188	1,877,054	7,427,134	395.68	Mainly due to the disposal of fixed assets
Total profit	763,683,359	586,669,454	177,013,905	30.17	Mainly due to the increase in the profit from investment properties and development properties

Net profit	571,380,343	433,960,320	137,420,023	31.67	Mainly due to the increase in the profit from investment properties and development properties
Net profit attributable to the owners of the Parent Company	571,986,536	412,875,533	159,111,003	38.54	Mainly due to profit growth of investment properties and hotels of the Parent Company
Minority interest	-606,193	21,084,787	-21,690,980	-102.88	Mainly due to the year-on-year decrease in profit attributable to minority interest
Basic earnings per share	0.17	0.12	0.05	41.67	Mainly due to the increase in the profit from investment properties and development properties
	30 September	31 December			
	2012	2011	Change		
Item	(combined)	(combined)	amount	Change	Reason(s) for change
				%	
Receivables	55,595,743	35,613,171	19,982,572	56.11	Mainly due to the increase in receivables from conventions at investment properties and receivable amount of settlement for commercial purpose
Other receivables	74,831,680	56,220,493	18,611,187	33.10	Mainly due to the receivable of greening arising from the greening of land of development properties acquired for other parties
Long-term equity investments	9,000,000	—	9,000,000		Mainly due to the investment to establish 北極星房地產投資基金管理有限公司
Construction in progress	3,464,769	230,875	3,233,894	1,400.71	Mainly due to the increase in expenditure as a result of renovation of properties
Deferred income tax assets	30,576,664	49,623,194	-19,046,530	-38.38	The profit from Changsha Company had generated sufficient taxable profits that could compensate the total deductible loss incurred for previous years
Short-term borrowings	1,400,000,000	700,000,000	700,000,000	100.00	Mainly due to the increase in borrowings for the period
Interests payable	65,853,568	115,294,592	-49,441,024	-42.88	Mainly due to the payment of bonds that were due
Non-current liabilities due within one year	660,000,000	1,579,000,000	-919,000,000	-58.20	Mainly due to the decrease in borrowings due within one year

Item	January to September 2012	January to September 2011	Change amount	Change %	Reason(s) for change
	(combined)	(combined)			
Net cash flows from operating activities	215,453,595	1,001,120,357	-785,666,762	-78.48	Mainly due to a year-on-year increase in investment in development properties for the period
Net cash flows from investing activities	-56,820,985	-133,587,374	76,766,389	57.47	Mainly due to a year-on-year decrease in outstanding consideration of the construction of China National Convention Centre and ancillary projects
Net cash flows from financing activities	-693,142,557	-271,195,076	-421,947,481	-155.59	Mainly due to a year-on-year increase in bank borrowings and repayment for the period, which exceeded the amount of repayment as compared with the same period last year

3.2 Explanation on analysis of progress and impact of significant events and solutions thereof

Applicable Not Applicable

- On 24 November 2011, the Proposal on the Merger of Beijing North Star Convention Centre Development Co., Limited, a Wholly-owned Subsidiary of the Company (《關於吸收合併本公司全資子公司-北京北辰會議中心發展有限公司的議案》) was considered and approved as a resolution at the 39th meeting of the fifth session of the Board of the Company, pursuant to which, the overall merger of Beijing North Star Convention Centre Development Co., Limited, a wholly-owned subsidiary of the Company, was approved. Subsequent to completion of the merger, the qualification of Beijing North Star Convention Centre Development Co., Limited as an independent legal person would be cancelled and all of its assets, liabilities and other obligations and responsibilities thereunder would be assumed by the Company. On 7 February 2012, the Company considered and approved the above proposal at the 2012 first extraordinary general meeting and entered into the Merger Agreement with Beijing North Star Convention Centre

Development Co., Limited on the same date. On 7 March 2012, the Company published the Announcement of the Merger of Beijing North Star Convention Centre Development Co., Limited into Beijing North Star Company Limited (《北京北辰實業股份有限公司關於與北京北辰會議中心發展有限公司吸收合併的公告》) on Beijing Daily. As at the date of this report, the Company is engaged in the subsequent work such as tax liquidation for Beijing North Star Convention Centre Development Co., Limited.

Such merger provided favorable conditions for the Company to optimise resource allocation, improve management efficiency and cut down management costs. As a wholly-owned subsidiary of the Company, the financial statements of Beijing North Star Convention Centre Development Co., Limited have been incorporated into the consolidated statements of the Company based on a ratio of 100%. It is estimated that such merger would not have any material impact on the current profit or loss of the Company.

2. During the reporting period, the Company paid RMB500 million as a land premium for the acquisition of part of the remaining land in Changsha North Star Delta Project. As for the handover of the remaining land, the Company will accordingly settle the payment upon the receipt of relevant notices. At present, the entire area for construction of phases under development in Changsha North Star Delta Project has been handed over. Therefore, the delayed settlement for the remaining land will not have a material impact on the specific development plan.

3.3 Undertakings made by the Company, shareholders and the de facto controller and their implementation

Applicable Not Applicable

3.4 Warning and explanation on reasons for accumulated net profit expected to be probably loss recorded from the beginning of the year to the end of the next reporting period or material changes as compared to those of the corresponding period last year

Applicable Not Applicable

3.5 Implementation of cash dividend policy during the reporting period

During the reporting period, the 2011 profit distribution plan of the Company was considered and approved at the 2011 annual general meeting of the Company held on 1 June 2012, pursuant to which RMB0.30 per 10 shares (tax inclusive) were to be paid to all shareholders based on the total share capital of the Company of 3,367,020,000 shares as of the end of 2011. The A share profit distribution plan was implemented on 11 July 2012. The H share dividend distribution was also completed. A total cash dividend of RMB101,010,600 was paid, accounting for 21.5% of net profit attributable to the shareholders of the parent company for 2011.

Beijing North Star Company Limited

Legal representative of the Company: **HE Jiang-Chuan**

25 October 2012

4 APPENDICES

4.1 Consolidated Balance Sheet

30 September 2012

Prepared by Beijing North Star Company Limited

Unit: RMB0.00 Currency: RMB Audit category: unaudited

Item	Balance at the end of period	Balance at the beginning of the year
Current assets:		
Cash at bank and in hand	2,360,847,466	2,887,390,603
Balances with clearing companies		
Placements with banks and other financial institutions		
Held for trading financial assets		
Notes receivable		
Accounts receivable	55,595,743	35,613,171
Prepayments	362,086,908	439,740,106
Premiums receivable		
Reinsurance accounts receivable		
Deposits receivable from reinsurance treaty		
Interests receivable		
Dividends receivable		
Other receivables	74,831,680	56,220,493
Purchases of resold financial assets		
Inventories	18,045,554,825	17,883,333,660
Non-current assets due within one year		
Other current assets		
Total current assets	20,898,916,622	21,302,298,033

Non-current assets:

Loans and advances granted		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	9,000,000	
Investment properties	4,997,285,605	5,293,763,003
Fixed assets	2,188,175,258	1,867,323,507
Construction in progress	3,464,769	230,875
Construction materials		
Disposals of fixed assets		
Biological assets for production		
Fuel assets		
Intangible assets	551,375	
Development expenses		
Goodwill		
Long-term deferred expenditures		
Deferred income tax assets	30,576,664	49,623,194
Other non-current assets		
Total non-current assets	7,229,053,671	7,210,940,579
Total assets	28,127,970,293	28,513,238,612

Current liabilities:

Short-term borrowings	1,400,000,000	700,000,000
Borrowings from central bank		
Deposit taking and deposit in inter-bank market		
Placements from banks and other financial institutions		
Held-for-trading financial liabilities		
Notes payable		
Accounts payable	2,015,456,812	2,758,659,122
Advance from customers	3,528,877,592	3,664,700,844
Disposal of repurchased financial assets		
Handling charges and commissions payable		
Employee benefits payable	60,440,597	51,917,524
Taxes payable	395,637,783	360,538,145
Interests payable	65,853,568	115,294,592
Dividends payable	1,162,190	1,162,190
Other payables	522,730,319	549,359,565
Reinsurance accounts payable		
Deposits for insurance contracts		
Customer deposits for trading in securities		
Customer deposits for underwriting		
Non-current liabilities due within one year	660,000,000	1,579,000,000
Other current liabilities	1,693,248,487	
Total current liabilities	10,343,407,348	9,780,631,982

Non-current liabilities:

Long-term borrowings	6,124,113,247	5,856,304,171
Bonds payable	1,491,265,833	3,177,488,337
Long-term payable	8,666,000	8,666,000
Special payable		
Accrued liabilities		
Deferred income tax liabilities		
Other non-current liabilities	2,550,000	2,550,000
Total non-current liabilities	7,626,595,080	9,045,008,508
Total liabilities	17,970,002,428	18,825,640,490

Owner's equity (or shareholders' equity):

Paid-in capital (or share capital)	3,367,020,000	3,367,020,000
Capital surplus	3,697,643,970	3,697,643,970
Less: Treasury stock		
Special reserve		
Surplus reserve	647,943,779	647,943,779
General risk provision		
Undistributed profit	2,335,488,060	1,864,512,124
Difference on translation of foreign currency financial statements		
Total equity attributable to owners of the Parent Company	10,048,095,809	9,577,119,873
Minority interests	109,872,056	110,478,249
Total owner's equity	10,157,967,865	9,687,598,122
Total liabilities and owner's equity	28,127,970,293	28,513,238,612

*Legal representative of
the Company:*

HE Jiang-Chuan

*Person-in-charge of
accounting operations:*

CHEN Yuan-Chao

*Person-in-charge of the
accounting department:*

LI Ji-Shu

Balance Sheet of the Parent Company

30 September 2012

Prepared by Beijing North Star Company Limited

Unit: RMB0.00 Currency: RMB Audit category: unaudited

Item	Balance at the end of the period	Balance at the beginning of the year
Current assets:		
Cash at bank and in hand	1,021,943,605	1,985,551,847
Held for trading financial assets		
Notes receivable		
Accounts receivable	43,479,237	26,273,268
Prepayments	141,868,787	186,802,560
Interests receivable		
Dividends receivable		
Other receivables	12,034,189,852	10,783,281,419
Inventories	4,517,182,882	5,346,767,802
Non-current assets due within one year		
Other current assets		
Total current assets	17,758,664,363	18,328,676,896

Non-current assets:

Available-for-sale financial assets		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	3,520,792,982	3,491,792,982
Investment properties	1,332,768,964	1,469,999,465
Fixed assets	1,782,845,693	1,254,878,907
Construction in progress	3,464,769	230,875
Construction materials		
Disposals of fixed assets		
Biological assets for production		
Fuel assets		
Intangible assets	551,375	
Development expenses		
Goodwill		
Long-term deferred expenditures		
Deferred income tax assets	15,806,307	11,424,780
Other non-current assets		
Total non-current assets	6,656,230,090	6,228,327,009
Total assets	24,414,894,453	24,557,003,905

Current liabilities:

Short-term borrowings	1,400,000,000	700,000,000
Held-for-trading financial liabilities		
Notes payable		
Accounts payable	1,229,823,113	1,444,433,197
Advance from customers	901,342,025	1,109,320,679
Employee benefits payable	55,130,875	48,495,485
Taxes payable	332,782,181	210,491,721
Interests payable	63,075,790	115,294,592
Dividends payable		
Other payables	1,298,111,857	1,379,390,393
Non-current liabilities due within one year	660,000,000	1,579,000,000
Other current liabilities	1,693,248,487	
Total current liabilities	7,633,514,328	6,586,426,067

Non-current liabilities:

Long-term borrowings	6,124,113,247	5,856,304,171
Bonds payable	1,491,265,833	3,177,488,337
Long-term payable	8,666,000	8,666,000
Special payable		
Accrued liabilities		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	7,624,045,080	9,042,458,508
Total liabilities	15,257,559,408	15,628,884,575

Owner's equity (or shareholders' equity):

Paid-in capital (or share capital)	3,367,020,000	3,367,020,000
Capital surplus	3,681,309,353	3,681,309,353
Less: Treasury stock		
Special reserve		
Surplus reserve	647,943,779	647,943,779
General risk provision		
Undistributed profit	1,461,061,913	1,231,846,198
Total owner's equity		
(or shareholders' equity)	9,157,335,045	8,928,119,330
Total liabilities and owner's equity		
(or shareholders' equity)	24,414,894,453	24,557,003,905

*Legal representative of
the Company:*

HE Jiang-Chuan

*Person-in-charge of
accounting operations:*

CHEN Yuan-Chao

*Person-in-charge of the
accounting department:*

LI Ji-Shu

4.2 Consolidated Income Statement

Prepared by Beijing North Star Company Limited

Unit: RMB0.00 Currency: RMB Audit category: unaudited

Item	The period (July to September)	The same period last year (July to September)	Amount from the beginning of the year to the end of the reporting period (January to September)	Amount from
				the beginning of the previous year to the end of the reporting period of the previous year (January to September)
1. Total operating revenue	1,459,436,905	728,644,812	4,134,338,176	3,198,729,304
Including: Operating revenue	1,459,436,905	728,644,812	4,134,338,176	3,198,729,304
Interest income				
Premiums earned				
Handling charges and commission income				
2. Total operating costs	1,087,737,678	602,541,084	3,365,121,020	2,604,651,262
Including: Operating costs	609,720,272	347,487,745	2,188,669,870	1,650,017,537
Interest expenses				
Handling charges and commission expenses				
Surrender payment				
Net expenditure for compensation payments				
Net provision for insurance deposits				
Policyholder dividend expenses				
Reinsurance costs				
Taxes and surcharges	184,726,757	-3,066,636	374,474,899	237,048,689
Selling expenses	49,492,050	50,602,453	143,418,817	133,606,696
Administrative expenses	155,484,793	125,100,702	399,835,053	349,218,132
Finance expenses	88,307,781	82,411,535	258,706,465	234,526,067
Impairment losses on assets	6,025	5,285	15,916	234,141

Add:	Profit arising from changes in fair value (loss stated with “-”)				
	Investment income (loss stated with “-”)				-6,591,960
	Including: Investment income from associates and joint ventures				-6,591,960
	Foreign currency exchange gains (loss stated with “-”)				
3.	Operating profit (loss stated with “-”)	371,699,227	126,103,728	769,217,156	587,486,082
Add:	Non-operating income	2,186,817	398,419	3,770,391	1,060,426
Less:	Non-operating expenses	446,555	696,378	9,304,188	1,877,054
	Including: Loss on disposal of non-current assets	298,373	159,585	6,029,121	471,287
4.	Total profit (total loss stated with “-”)	373,439,489	125,805,769	763,683,359	586,669,454
Less:	Income tax expenses	93,464,271	31,640,195	192,303,016	152,709,134
5.	Net profit (net loss stated with “-”)	279,975,218	94,165,574	571,380,343	433,960,320
	Net profit attributable to the owners of the Parent Company	280,006,480	87,310,344	571,986,536	412,875,533
	Minority interests	-31,262	6,855,230	-606,193	21,084,787
6.	Earnings per share:				
(I)	Basic earnings per share	0.08	0.02	0.17	0.12
(II)	Diluted earnings per share	0.08	0.02	0.17	0.12
7.	Other comprehensive income				
8.	Total comprehensive income	279,975,218	94,165,574	571,380,343	433,960,320
	Total comprehensive income attributable to owners of the Parent Company	280,006,480	87,310,344	571,986,536	412,875,533
	Total comprehensive income attributable to minority interests	-31,262	6,855,230	-606,193	21,084,787

*Legal representative of
the Company:*

HE Jiang-Chuan

*Person-in-charge of
accounting operations:*

CHEN Yuan-Chao

*Person-in-charge of the
accounting department:*

LI Ji-Shu

Income Statement of the Parent Company

Prepared by Beijing North Star Company Limited

Unit: RMB0.00 Currency: RMB Audit category: unaudited

Item	The period (July to September)	The corresponding period last year (July to September)	Amount from the beginning of the year to the end of the reporting period (January to September)	Amount from
				the beginning of the previous year to the end of the reporting period of the previous year (January to September)
1. Operating revenue	1,051,577,397	636,647,704	2,337,635,708	2,823,334,327
Less: Operating costs	399,816,463	285,157,902	960,282,967	1,378,453,211
Taxes and surcharges	116,070,288	16,744,089	218,368,405	245,866,448
Selling expenses	25,421,825	26,537,919	79,650,081	81,698,250
Administrative expenses	139,257,438	109,184,230	355,662,156	306,640,491
Finance expenses	95,114,110	90,000,645	279,357,749	260,148,106
Impairment losses on assets	6,025	5,285	15,916	234,141
Add: Profit arising from changes in fair value (loss stated with "-")				
Investment income (loss stated with "-")				-6,591,960
Including: Investment income from associates and joint ventures				-6,591,960
2. Operating profit (loss stated with "-")	275,891,248	109,017,634	444,298,434	543,701,720
Add: Non-operating income	2,180,766	390,480	3,670,670	936,209
Less: Non-operating expenses	421,847	319,830	6,925,678	1,441,287
Including: Loss on disposal of non-current assets	274,437	153,915	6,005,077	462,150

3. Total profit (total loss stated with “-”)	277,650,167	109,088,284	441,043,426	543,196,642
Less: Income tax expenses	69,554,115	27,272,071	110,817,111	137,796,468
4. Net profit (net loss stated with “-”)	208,096,052	81,816,213	330,226,315	405,400,174
5. Earnings per share:				
(I) Basic earnings per share				
(II) Diluted earnings per share				
6. Other comprehensive income				
7. Total comprehensive income	208,096,052	81,816,213	330,226,315	405,400,174

*Legal representative of
the Company:*

HE Jiang-Chuan

*Person-in-charge of
accounting operations:*

CHEN Yuan-Chao

*Person-in-charge of the
accounting department:*

LI Ji-Shu

4.3. Consolidated Cash Flow Statements

From January to September 2012

Prepared by Beijing North Star Company Limited

Unit: RMB0.00 Currency: RMB Audit category: unaudited

Item	Amount from the beginning of the year to the end of the reporting period (January to September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January to September)
1. Cash flow from operating activities:		
Cash received from selling goods and rendering services	4,099,042,360	4,054,218,271
Net increase in deposits from customers and placements from banks and other financial institutions		
Net increase in borrowings from central bank		
Net increase in placements from other financial institutions		
Cash received from premiums of original insurance contracts		
Net cash received from reinsurance business		
Net increase in deposits from policyholders and investments		
Net increase in disposal of held-for-trading financial assets		
Cash received from interest, handling charges and commissions		

Net increase in placements from banks and other financial institutions		
Net increase in repurchases		
Refund of tax and levies received		
Cash received relating to other operating activities	86,421,959	58,079,924
Sub-total of cash inflow from operating activities	4,185,464,319	4,112,298,195
Cash paid for purchase of goods and receipt of services	2,898,447,078	2,182,347,383
Net increase in loans and advances to customers		
Net increase in placements with central bank and other financial institutions		
Cash paid for claims on original insurance contracts		
Cash payment for interest, handling charges and commissions		
Cash payment for policyholder dividend		
Cash paid to and paid for employees	340,333,224	296,188,467
Taxes and auxiliary charges paid	564,059,717	562,669,198
Cash paid relating to other operating activities	167,170,705	69,972,790
Sub-total of cash outflow from operating activities	3,970,010,724	3,111,177,838
Net cash flows from operating activities	215,453,595	1,001,120,357

2. Cash flows from investing activities:

Cash received from disposal of investments		
Cash received from returns on investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,706,397	376,562
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities		
Sub-total of cash inflow from investing activities	1,706,397	376,562
Cash paid for acquiring fixed assets, intangible assets and other long-term assets	37,527,382	129,023,936
Cash paid to acquire investment	9,000,000	4,940,000
Net increase in pledged loans		
Net cash paid for acquisition of subsidiaries and other business units		
Cash paid relating to other investing activities	12,000,000	
Sub-total of cash outflow from investing activities	58,527,382	133,963,936
Net cash flows from investing activities	-56,820,985	-133,587,374

3. Cash flows from financing activities:		
Cash received from capital contribution		
Including: Cash received from capital contributions by minority shareholders of subsidiaries		
Cash received from borrowings	2,716,486,902	1,625,211,920
Cash received from issuance of bonds		
Cash received relating to other financing activities		
Sub-total of cash inflow from financing activities	2,716,486,902	1,625,211,920
Cash repayments of borrowings	2,667,677,826	1,289,000,000
Cash payments for distribution of dividends and profits or interest expenses	741,951,633	607,406,996
Including: Dividends and profit paid to minority shareholders by subsidiaries		
Cash paid relating to other financing activities		
Sub-total of cash outflow from financing activities	3,409,629,459	1,896,406,996
Net cash flows from financing activities	-693,142,557	-271,195,076
4. Effect of foreign exchange rate changes on cash and cash equivalents		
5. Net increase in cash and cash equivalents		
	-534,509,947	596,337,907
Add: Balance of cash and cash equivalents at the beginning of the period		
	2,808,105,817	2,520,145,625
6. Balance of cash and cash equivalents at the end of the period		
	2,273,595,870	3,116,483,532

Legal representative of the Company:

HE Jiang-Chuan

Person-in-charge of accounting operations:

CHEN Yuan-Chao

Person-in-charge of the accounting department:

LI Ji-Shu

Cash Flow Statement of the Parent Company

January to September 2012

Prepared by Beijing North Star Company Limited

Unit: RMB0.00 Currency: RMB Audit category: unaudited

Item	Amount from the beginning of the year to the end of the reporting period (January to September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January to September)
1. Cash flow from operating activities:		
Cash received from selling goods and rendering services	2,187,400,097	2,340,308,813
Refund of tax and levies received		
Cash received relating to other operating activities	77,365,072	47,294,257
Sub-total of cash inflow from operating activities	2,264,765,169	2,387,603,070
Cash paid for purchase of goods and receipt of services	564,187,291	591,796,786
Cash paid to and paid for employees	276,092,574	194,115,192
Taxes and auxiliary charges paid	229,105,007	459,323,793
Cash paid relating to other operating activities	1,471,600,701	586,749,163
Sub-total of cash outflow from operating activities	2,540,985,573	1,831,984,934
Net cash flows from operating activities	-276,220,404	555,618,136

2. Cash flows from investing activities:

Cash received from disposal of investments		
Cash received from returns on investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	309,441	261,260
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities		
Sub-total of cash inflow from investing activities	309,441	261,260
Cash paid for acquiring fixed assets, intangible assets and other long-term assets	20,292,631	10,057,462
Cash paid to acquire investment	29,000,000	4,940,000
Net cash paid for acquisition of subsidiaries and other business units		
Cash paid relating to other investing activities	12,000,000	
Sub-total of cash outflow from investing activities	61,292,631	14,997,462
Net cash flows from investing activities	-60,983,190	-14,736,202

3. Cash flows from financing activities:

Cash received from capital contribution		
Cash received from borrowings	2,716,486,902	1,625,211,921
Cash received from issuance of bonds		
Cash received relating to other financing activities		
Sub-total of cash inflow from financing activities	2,716,486,902	1,625,211,921
Cash repayments of borrowings	2,667,677,826	1,289,000,000
Cash payments for distribution of dividends and profits or interest expenses	687,240,485	629,696,192
Cash paid relating to other financing activities		
Sub-total of cash outflow from financing activities	3,354,918,311	1,918,696,192
Net cash flows from financing activities	-638,431,409	-293,484,271

4. Effect of foreign exchange rate changes on cash and cash equivalents		
5. Net increase in cash and cash equivalents	-975,635,003	247,397,663
Add: Balance of cash and cash equivalents at the beginning of the period	1,963,273,902	1,865,396,934
6. Balance of cash and cash equivalents at the end of the period	987,638,899	2,112,794,597

Legal representative of the Company:

HE Jiang-Chuan

Person-in-charge of accounting operations:

CHEN Yuan-Chao

Person-in-charge of the accounting department:

LI Ji-Shu

BEIJING NORTH STAR COMPANY LIMITED

MAIN TEXT OF 2012 THIRD QUARTERLY REPORT

1 IMPORTANT NOTICE

1.1 The Board, the supervisory committee, all directors, supervisors and the senior management of the Company warrant that there are no misrepresentation or misleading statements contained in or material omissions from this report, and accept joint and several responsibility for the truthfulness, accuracy and completeness of the contents of this report.

1.2 Directors absent from the Board meeting shall be disclosed separately

Name of absent director	Position of absent director	Reason(s) for absence	Name of proxy
ZENG Jin	Director	Other business engagement	LIU Jian-Ping

1.3 The financial statements in this third quarterly report are unaudited.

1.4 HE Jiang-Chuan, person-in-charge of the Company, ZHAO Hui-Zhi, general manager and CHEN Yuan-Chao, the financial controller have declared to warrant the truthfulness and completeness of the financial statements contained in this quarterly report.

2 BASIC INFORMATION OF THE COMPANY

2.1 Major accounting data and financial indicators

Currency: RMB

	As at the end of the reporting period	As at the end of last year	Increase/decrease from the end of the period last year (%)
Total assets (<i>RMB</i>)	28,127,970,293.00	28,513,238,612.00	-1.35
Owner's equity (or shareholders' equity) (<i>RMB</i>)	10,048,095,809.00	9,577,119,873.00	4.92
Net assets per share attributable to the shareholders of the Company (<i>RMB per share</i>)	2.98	2.84	4.93
		From the beginning of the year to the end of the reporting period (January to September)	Increase/ decrease from the corresponding period last year (%)
Net cash flow from operating activities (<i>RMB</i>)		215,453,595.00	-78.48
Net cash flow per share from operating activities (<i>RMB per share</i>)		0.06	-80.00

	The reporting period (July to September)	From the beginning of the year to the end of the reporting period (January to September)	Increase/ decrease from the corresponding period last year (%)
Net profit attributable to the shareholders of the Company (<i>RMB</i>)	280,006,480.00	571,986,536.00	220.70
Basic earnings per share (<i>RMB per share</i>)	0.08	0.17	300.00
Basic earnings per share after deducting the non-recurring items (<i>RMB per share</i>)	0.08	0.17	300.00
Diluted earnings per share (<i>RMB per share</i>)	0.08	0.17	300.00
Weighted average return on net assets (%)	2.86	5.82	Increased by 1.93 percentage points
Weighted average return on net assets after deducting non-recurring items (%)	2.86	6.05	Increased by 1.93 percentage points

Deducting non-recurring items and amounts:*Unit: RMB0.00 Currency: RMB*

Item	From the beginning of the year to the end of the reporting period (January to September)
Profit/loss on disposal of non-current assets	-5,815,792
Reversal of impairment provision on receivables tested for impairment on individual basis	-15,916
Other profit or loss items within the definition of non-recurrent profit or loss	281,995
Effect on income tax	765,686
Effect on minority interests (after tax)	<u>-1,128,925</u>
Total	<u><u>-5,912,952</u></u>

2.2 Total number of shareholders and shareholdings of the top ten holders of shares not subject to trading moratorium as at the end of the reporting period

Unit: Share

Total number of shareholders at the end of the reporting period (*shareholders*) 295,857

Top ten holders of circulating shares not subject to trading moratorium

Name of shareholders (full name)	Number of circulating shares not subject to trading moratorium held at the end of the period	Class of shares	
Beijing North Star Industrial Group Company Limited	1,161,000,031	RMB-denominated ordinary shares	1,161,000,031
HKSCC NOMINEES LIMITED	684,366,498	Overseas listed foreign shares	684,366,498
Beijing Wangfujing Department Store (Group) Co., Ltd.	137,000,000	RMB-denominated ordinary shares	137,000,000
Zhong Hang Xin Gang Guarantee Co., Ltd.	73,573,353	RMB-denominated ordinary shares	73,573,353
China Merchants Securities Co., Ltd — Client Account of Collateral Securities for Margin Trading (招商證券股份有限公司客戶 信用交易擔保證券賬戶)	34,250,784	RMB-denominated ordinary shares	34,250,784
Zhejiang Haiyue Co., Ltd.	27,000,000	RMB-denominated ordinary shares	27,000,000

China Investment Securities Co., Ltd. — Client Account of Collateral Securities for Margin Trading (中國中投證券有限 責任公司客戶信用交易擔保證券帳戶)	21,056,080	RMB-denominated ordinary shares	21,056,080
Chen Hui (陳惠)	13,550,000	RMB-denominated ordinary shares	13,550,000
China Construction Bank — Huaxia Dividend Mixed Open Securities Investment Fund (中國建設銀行 — 華夏紅利混合型 開放式證券投資基金)	9,999,950	RMB-denominated ordinary shares	9,999,950
Bank of China — China Merchant Xianfeng Mixed Securities Investment Fund (中國銀行 — 招商先鋒證券投資基金)	8,997,743	RMB-denominated ordinary shares	8,997,743

Pursuant to the document titled “Implementation measure for the transfer of part of the state-owned shares to the National Social Security Fund in domestic securities market (Cai Qi [2009] No.94)” (《境內證券市場轉持部分國有股充實全國社會保障基金實施辦法》(財企[2009]94號)) and announcement No.63 of 2009 jointly issued by the Ministry of Finance of the People’s Republic of China, the State-owned Assets Supervision and Administration Commission of the State Council, the China Securities Regulatory Commission and the National Council for Social Security Fund, 150,000,000 shares held by Beijing North Star Industrial Group Company Limited, the controlling shareholder of the Company, are frozen at present.

3 SIGNIFICANT EVENTS

3.1 Details and reasons for substantial changes in the major accounting statement items and financial indicators of the Company

Applicable Not Applicable

Unit: RMB

Item	January to September 2012 (combined)	January to September 2011 (combined)	Change amount	Change %	Reason(s) for change
Operating revenue	4,134,338,176	3,198,729,304	935,608,872	29.25	Mainly due to the significant increase in income from investment in properties and development of Changsha Company
Operating costs	2,188,669,870	1,650,017,537	538,652,333	32.65	Mainly due to the corresponding increase in costs following the significant increase in operating revenue
Taxes and surcharges	374,474,899	237,048,689	137,426,210	57.97	Mainly due to the significant increase in income
Investment income	—	-6,591,960	6,591,960		Mainly due to the fact that the investment loss from a joint venture for 2011 was limited to the extent of long term equity investment being written down to zero
Operating profit	769,217,156	587,486,082	181,731,074	30.93	Mainly due to the increase in the profit from investment properties and development properties
Non-operating income	3,770,391	1,060,426	2,709,965	255.55	Mainly due to the disposal of non-payables
Non-operating expenses	9,304,188	1,877,054	7,427,134	395.68	Mainly due to the disposal of fixed assets
Total profit	763,683,359	586,669,454	177,013,905	30.17	Mainly due to the increase in the profit from investment properties and development properties

Net profit	571,380,343	433,960,320	137,420,023	31.67	Mainly due to the increase in the profit from investment properties and development properties
Net profit attributable to the owners of the Parent Company	571,986,536	412,875,533	159,111,003	38.54	Mainly due to profit growth of investment properties and hotels of the Parent Company
Minority interest	-606,193	21,084,787	-21,690,980	-102.88	Mainly due to the year-on-year decrease in profit attributable to minority interest
Basic earnings per share	0.17	0.12	0.05	41.67	Mainly due to the increase in the profit from investment properties and development properties
	30 September	31 December			
	2012	2011	Change		
Item	(combined)	(combined)	amount	Change	Reason(s) for change
				%	
Receivables	55,595,743	35,613,171	19,982,572	56.11	Mainly due to the increase in receivables from conventions at investment properties and receivable amount of settlement for commercial purpose
Other receivables	74,831,680	56,220,493	18,611,187	33.10	Mainly due to the receivable of greening arising from the greening of land of development properties acquired for other parties
Long-term equity investments	9,000,000	—	9,000,000		Mainly due to the investment to establish 北極星房地產投資基金管理有限公司
Construction in progress	3,464,769	230,875	3,233,894	1,400.71	Mainly due to the increase in expenditure as a result of renovation of properties
Deferred income tax assets	30,576,664	49,623,194	-19,046,530	-38.38	The profit from Changsha Company had generated sufficient taxable profits that could compensate the total deductible loss incurred for previous years
Short-term borrowings	1,400,000,000	700,000,000	700,000,000	100.00	Mainly due to the increase in borrowings for the period
Interests payable	65,853,568	115,294,592	-49,441,024	-42.88	Mainly due to the payment of bonds that were due
Non-current liabilities due within one year	660,000,000	1,579,000,000	-919,000,000	-58.20	Mainly due to the decrease in borrowings due within one year

Item	January to September 2012	January to September 2011	Change amount	Change %	Reason(s) for change
	(combined)	(combined)			
Net cash flows from operating activities	215,453,595	1,001,120,357	-785,666,762	-78.48	Mainly due to a year-on-year increase in investment in development properties for the period
Net cash flows from investing activities	-56,820,985	-133,587,374	76,766,389	57.47	Mainly due to a year-on-year decrease in outstanding consideration of the construction of China National Convention Centre and ancillary projects
Net cash flows from financing activities	-693,142,557	-271,195,076	-421,947,481	-155.59	Mainly due to a year-on-year increase in bank borrowings and repayment for the period, which exceeded the amount of repayment as compared with the same period last year

3.2 Explanation on analysis of progress and impact of significant events and solutions thereof

Applicable Not Applicable

1. On 24 November 2011, the Proposal on the Merger of Beijing North Star Convention Centre Development Co., Limited, a Wholly-owned Subsidiary of the Company (《關於吸收合併本公司全資子公司-北京北辰會議中心發展有限公司的議案》) was considered and approved as a resolution at the 39th meeting of the fifth session of the Board of the Company, pursuant to which, the overall merger of Beijing North Star Convention Centre Development Co., Limited, a wholly-owned subsidiary of the Company was approved. Subsequent to completion of the merger, the qualification of Beijing North Star Convention Centre Development Co., Limited as an independent legal person would be cancelled and all of its assets, liabilities and other obligations and responsibilities thereunder would be assumed by the Company. On 7 February 2012, the Company considered and approved the above proposal at the 2012 first extraordinary general meeting and entered into the Merger Agreement with Beijing North Star Convention Centre Development Co., Limited on the same date. On 7 March 2012,

the Company published the Announcement of the Merger of Beijing North Star Convention Centre Development Co., Limited into Beijing North Star Company Limited (《北京北辰實業股份有限公司關於與北京北辰會議中心發展有限公司吸收合併的公告》) on Beijing Daily. As at the date of this report, the Company is engaged in the subsequent work such as tax liquidation for Beijing North Star Convention Centre Development Co., Limited.

Such merger provided favorable conditions for the Company to optimise resource allocation, improve management efficiency and cut down management costs. As a wholly-owned subsidiary of the Company, the financial statements of Beijing North Star Convention Centre Development Co., Limited have been incorporated into the consolidated statements of the Company based on a ratio of 100%. It is estimated that such merger would not have any material impact on the current profit or loss of the Company.

2. During the reporting period, the Company paid RMB500 million as a land premium for the acquisition of part of the remaining land in Changsha North Star Delta Project. As for the handover of the remaining land, the Company will accordingly settle the payment upon the receipt of relevant notices. At present, the entire area for construction of phases under development in Changsha North Star Delta Project has been handed over. Therefore, the delayed settlement for the remaining land will not have a material impact on the specific development plan.

3.3 Undertakings made by the Company, shareholders and the de facto controller and their implementation

Applicable Not Applicable

3.4 Warning and explanation on reasons for accumulated net profit expected to be probably loss recorded from the beginning of the year to the end of the next reporting period or material changes as compared to those of the corresponding period last year

Applicable

Not Applicable

3.5 Implementation of cash dividend policy during the reporting period

During the reporting period, the 2011 profit distribution plan of the Company was considered and approved at the 2011 annual general meeting of the Company held on 1 June 2012, pursuant to which, RMB0.30 per 10 shares (tax inclusive) were to be paid to all shareholders based on the total share capital of the Company of 3,367,020,000 shares as of the end of 2011. The A share profit distribution plan was implemented on 11 July 2012. The H share dividend distribution was also completed. A total cash dividend of RMB101,010,600 was paid, accounting for 21.5% of net profit attributable to the shareholders of the Parent Company for 2011.

(II) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Pursuant to the requirements in the Notice Regarding Further Implementation of Cash Dividends Distribution of Listed Companies (Zheng Jian Fa [2012] No.37) (《關於進一步落實上市公司現金分紅有關事項的通知》(證監發[2012]37號)) issued by China Securities Regulatory Commission and the Notice Regarding Further Improvement of Cash Dividends Distribution of Listed Companies (Jing Zheng Gong Si Fa [2012] No. 101) (《關於進一步完善上市公司現金分紅有關事項的通知》(京證公司發[2012]101號)) issued by Beijing Securities Regulatory Bureau, the Board proposes to amend the Articles of Association to the shareholders of the Company, in order to refine the part in relation to profit distribution. The proposed amendments to the Articles of Association of the Company are subject to approval by the shareholders of the Company by way of special resolutions at the general meeting of the Company and will become effective upon approval by relevant competent authorities authorized by the State Council. Details of the amendments to the Articles of Association of the Company will be set out in the circular provided to the shareholders of the Company.

Beijing North Star Company Limited

Legal representative of the Company: HE Jiang-Chuan

25 October 2012

By order of the Board

Beijing North Star Company Limited

HE Jiang-Chuan

Chairman

Beijing, the PRC, 25 October 2012

As at the date of this announcement, the Board of the Company comprises 9 directors, of which Mr. HE Jiang-Chuan, Mr. LI Chang-Li, Ms. ZHAO Hui-Zhi, Mr. HE Wen-Yu, Mr. LIU Jian-Ping and Mr. ZENG Jin are executive directors and Mr. LONG Tao, Mr. GAN Pei-Zhong and Mr. WONG Yik Chung are independent non-executive directors.